

NEWS RELEASE



United States Department of Agriculture
Rural Development

THE BLUEPRINT FOR THE AMERICAN DREAM

Owning a home continues to be the oldest and best form of building equity in America and serves as the bedrock of the Bush Administration's commitment to rural America. Homeownership builds economic strength in families, economic stability for communities and is an appreciable form of equity building. To highlight the critical importance of homeownership and its benefits to family values and economic strength, President George W. Bush has declared June National Homeownership Month.

During the month of June, the nation will celebrate National Homeownership! A variety of activities will elevate the visibility of efforts to inform the public about housing programs and strengthen our communities. Publicity is intended to draw attention with the goal to increase the number of homeowners.

While America has reached an all-time high homeownership rate of 67.5 percent, more can be done to help other families realize the dream of homeownership and bring strength to our rural communities. To reach more Americans, President Bush has set a national goal of increasing minority homeownership by 5.5 million by the year 2010. In support of this goal, USDA Rural Development is aggressively implementing a Five Star commitment to expand minority homeownership including: lowering fees to reduce barriers to minority homeownership; double the number of self-help participants by 2010; increase participation by minority lenders, promote credit counseling and homeownership education; and monitor lending activities to ensure a 10 percent increase in minority homeownership. Additionally, to assist more low- to very-low income families obtain financing for safe secure housing, President Bush has proposed a 32 percent increase for USDA Rural Development single-family housing direct loans in his 2004 budget.

It is important to recognize that without national partnerships the dream of homeownership could not be realized for many rural families. Partnerships such as the Rural Home Loan Partnership effort has brought together the efforts of USDA Rural Development, Rural Local Initiatives Support Corporation, Office of Thrift Supervision, Federal Home Loan Bank Board, Federal Deposit Insurance Corporation and the Neighborhood Reinvestment Corporation. Through this partnership, the dollars committed by USDA Rural Development leveraged an additional 30 percent outside investment that resulted in lower overall cost for homes in rural America. The result – homes for those Americans who thought they would never be able to own their own home. This is an achievement we all can be proud of.

Gregory C. Branum, Missouri State Director for USDA Rural Development, said, "National Home Ownership Month will focus on providing information to interested individuals and families with the desire to achieve their dream of homeownership. Through excellent partnerships last year, the above partners and commercial lenders utilized the direct and guaranteed lending program to allow Rural Development to invest in Missouri over \$125 million in housing loans to help approximately 2000 homeowners reach the dream of homeownership."

The opportunity to increase homeownership can also be achieved through several innovative approaches embraced by the Administration. One unique program that has received special support over the last several years is the Mutual Self-Help Housing program. Under this program, five to 12 families join forces and build their own homes. This program is worthy of note because it has allowed many families to achieve home ownership through the building of equity that reduces the home purchase costs by 20 percent and allows families to learn valuable skills along the way.

USDA rural housing programs also help existing homeowners. Low-income families can receive repair loans of up to \$20,000 to make their homes safe and sanitary. Money is also available to help make homes more accessible for handicapped residents. Depending on their income, elderly residents may be eligible for grants or a combination of grants and loans.

In short, USDA's Rural Development programs have an excellent track record of building opportunities for homeownership and building stronger communities. By investing in homeownership, families can build wealth and open new job opportunities that will spur a generation of new economic activity in rural communities. USDA Rural Development joins President Bush in reaching new heights in homeownership in rural America.

Anyone seeking more information on the Rural Housing programs or other USDA Rural Development programs may visit the web site at (<http://www.rurdev.usda.gov.mo/>) or by contacting any of our Local Offices.

